

October 28, 2020

VIA ELECTRONIC MAIL

Luly E. Massaro, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

**RE: Docket 4915 - Fiscal Year 2020 Electric Infrastructure, Safety, and Reliability Plan
Reconciliation Filing
Responses to PUC Post-Decision Data Requests – Set 1**

Dear Ms. Massaro:

On behalf of National Grid,¹ enclosed is an electronic version of the Company's responses to the PUC's First Set of Post-Decision Data Requests issued in the above-referenced matter.²

Thank you for your attention to this filing. If you have any questions, please contact me at 401-784-7288.

Very truly yours,



Jennifer Brooks Hutchinson

Enclosures

cc: Docket 4915 Service List
Leo Wold, Esq.
John Bell, Division

¹ The Narragansett Electric Company d/b/a National Grid (National Grid or the Company).

² Per Commission counsel's update on October 2, 2020, concerning the COVID-19 emergency period, the Company is submitting an electronic version of this filing. The Company will provide the Commission Clerk with five (5) hard copies and, if needed, additional hard copies of the enclosures upon request.

Docket No. 4915 - National Grid's Electric ISR Plan FY 2020
Docket No. 4857 - Performance Incentives Pursuant to R.I.G.L. §39-1 27.7.1(e)(3)

Service List as of 8/15/2019

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The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 4915
In Re: 2020 Electric Infrastructure, Safety, and Reliability
Annual Reconciliation
Responses to the Commission's Post Decision Data Requests
Issued on October 6, 2020

PUC Post Decision 1-1

Request:

Please provide a schedule by municipality showing all sales of streetlights, for the years 2014 to the present, showing the price paid by each municipality for the streetlights and the net book value at the time of sale for each sale. Please also show the date and amount of the "pricing inquiry" and the date that the municipality provided written notice to the Company for each sale.

Response:

Please see Attachment PUC Post Decision 1-1 with the requested data.

Note that the columns labeled "Net Book Value at Price Calculation" reflect the net book value of all of the Company's streetlighting equipment used to provide streetlighting service to all of its streetlighting customers within the municipal boundary (i.e., utility plant required to be recorded in plant unit code 373 of FERC account 101, plant in service). However, the amount in columns labeled "Sale Price" and "Inquiry Price" does not include the net book value allocated to the equipment not to be sold but rather retained by the Company to serve its other streetlighting customers.

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 4915
Attachment PUC Post Decision 1-1
Page 1 of 1

Municipality or Entity	Asset Sale/Notice to Purchase					Pricing Inquiry				
	Asset Sale Completion Date	Sale Price	Net Book Value at Price Calculation	Notice to Purchase Request Letter Received	Notice to Purchase Request Letter Dated	Pricing Inquiry Completion Date	Inquiry Price	Net Book Value at Price Calculation	Inquiry Request Letter Received	Inquiry Request Letter Dated
Barrington	5/24/2016	1. \$37,584.40 (10/20/2015) 2. \$30,752.51 (05/02/2016)	1. \$40,166.20 2. \$32,361.15	7/6/2015	7/2/2015	2/27/2015	\$50,077.51	\$52,682.00	12/1/2014	12/1/2014
Bristol	5/24/2016	1. \$49,986.46 (01/19/2016) 2. \$41,162.42 (04/12/2016)	1. \$50,831.73 2. \$41,739.83	7/22/2015	7/17/2015	No pricing inquiry				
Burrillville	No notice to purchase					No pricing inquiry				
Central Falls	10/14/2016	\$4,198.77	\$5,311.22	5/6/2016	5/4/2016	3/19/2015	\$12,074.99	\$16,512.32	12/1/2014	12/1/2014
Charlestown	10/12/2016	\$11,185.25	\$13,661.27	2/5/2016	2/3/2016	3/2/2015	\$11,052.30	\$14,535.72	12/1/2014	Undated
Chepachet Fire District	8/13/2018	\$1.00	-\$1,947.54	2/9/2018	2/1/2018	No pricing inquiry				
Coventry	No notice to purchase					No pricing inquiry				
Cranston	8/31/2016	\$5,404.36	\$8,005.90	2/24/2016	2/18/2016	7/27/2015	\$168,265.43	\$226,675.76	2/3/2015	1/16/2015
Cumberland	5/30/2017	\$80,882.71	\$106,668.55	9/14/2016	8/31/2016	3/9/2015	\$137,117.08	\$174,907.96	12/1/2014	12/1/2014
East Greenwich	No notice to purchase					1. 10/21/2015 2. 04/12/2019	1. \$73,053.46 2. \$36,709.50	1. \$74,021.48 2. \$36,710.47	1. 3/16/2015 2. 3/22/2019	1. 3/12/2015 2. 3/22/2019
East Providence	Not yet sold	1. \$300,281.50 (8/4/2016) 2. \$274,453.73 (10/25/2017) 3. \$218,024.40 (5/29/2018) 4. \$208,951.72 (11/7/2018)	1. \$355,163.01 2. \$430,302.12 3. \$306,018.24 4. \$288,166.55	1. 8/3/2016 2. 9/25/2017 3. 5/18/2018 4. 8/16/2018	1. 7/29/2016 2. 9/25/2017 3. 5/18/2018 4. 8/15/2018	6/20/2016	\$300,281.50	\$355,163.01	7/16/2015	7/16/2015
Exeter	Not yet sold	\$146.48	\$22.00	5/16/2016	5/2/2016	No pricing inquiry				
Foster	Not yet sold	\$438.69	\$571.79	8/24/2016	2/25/2016	No pricing inquiry				
Gloucester	No notice to purchase					8/9/2017	\$1.00	-\$1,947.54	4/5/2017	3/28/2017
Harrisville Fire District	7/3/2018	\$360.27	\$4,318.28	2/24/2017	2/21/2017	No pricing inquiry				
Hopkins Hill Fire District	7/9/2018	\$1,577.03	\$17,280.95	3/17/2017	3/14/2017	No pricing inquiry				
Hopkinton	5/24/2017	\$81,820.49	\$124,399.05	8/26/2016	8/22/2016	12/12/2014	\$165,912.69	\$301,875.14	12/12/2014	12/12/2014
Jamestown	Not yet sold	\$21,646.35	\$22,905.61	7/30/2018	7/13/2018	10/21/2015	\$5,061.52	\$3,802.39	2/6/2015	2/2/2015
Johnston	No notice to purchase					No pricing inquiry				
Lincoln	Not yet sold	1. \$149,674.18 (5/1/2019) 2. \$159,573.52 (8/26/2020)	1. \$187,807.86 2. \$231,215.59	1. 11/08/2018 2. 3/20/2020	1. 11/05/2018 2. 3/20/2020	4/9/2015	\$114,484.07	\$141,857.77	1/5/2015	12/30/2014
Little Compton	8/31/2016	\$1.00	-\$1,769.47	2/22/2016	2/19/2016	No pricing inquiry				
Middletown	Not yet sold	\$215,283.80	\$337,857.93	7/12/2018	4/18/2018	1. 7/27/2015 2. 4/18/2018	1. \$74,101.50 2. \$209,097.19	1. \$97,886.73 2. \$337,857.93	1. 1/16/2015 2. 10/30/2017	1. 1/13/2015 2. 10/30/2017
Narragansett	1/18/2019	1. \$20,222.10 (8/4/2016) 2. \$15,596.64 (10/26/2017)	1. \$22,164.63 2. \$15,596.79	1. 5/4/2016 2. 9/28/2017	1. 4/28/2016 2. 9/28/2017	2/17/2015	\$41,224.52	\$45,902.17	11/24/2014	11/20/2014
Nasonville Fire District	8/22/2018	\$2,302.57	\$7,827.02	8/1/2017	7/11/2017	No pricing inquiry				
Newport	No notice to purchase					8/1/2018	\$444,420.29	\$583,693.32	10/10/2018	1/5/2018
North Kingstown	Not yet sold	1. \$83,435.98 (8/4/2016) 2. \$87,412.26 (10/26/2017) 3. \$286,125.51 (5/22/2020)	1. \$113,563.50 2. \$125,381.37 3. \$343,826.95	6/3/2016	6/1/2016	No pricing inquiry				
North Providence	7/25/2017	\$1.00	-\$15,694.72	10/31/2016	10/17/2016	2/4/2015	\$93,686.47	\$97,313.02	11/12/2014	11/10/2014
North Smithfield	9/15/2016	\$41,075.14	\$58,673.19	10/27/2015	10/20/2015	4/6/2015	\$48,602.41	\$70,744.57	12/1/2014	12/1/2014
Oakland-Mapleville Fire District	7/9/2018	\$1,810.05	\$7,827.02	6/2/2017	5/30/2017	No pricing inquiry				
Pawtucket	2/13/2019	1. \$89,517.76 (8/4/2016) 2. \$14,624.28 (11/8/2018)	1. \$115,971.28 2. \$17,920.64	1/29/2016	1/28/2016	9/12/2014	\$295,385.14	\$383,118.00	9/11/2014	8/27/2014
Portsmouth	Not yet sold	1. \$43,932.36 (4/12/2018) 2. \$80,962.40 (9/3/2020)	1. \$75,182.81 2. \$123,604.80	6/15/2017	6/12/2017	No pricing inquiry				
Providence	5/9/2016	\$1,270,454.70	\$1,336,303.49	6/29/2015	6/25/2015	9/22/2014	\$2,657,113.65	\$2,834,603.92	6/30/2014	6/30/2014
Richmond	9/23/2016	\$52.56	-\$8,539.79	4/20/2016	4/14/2016	6/10/2014	\$5,615.91	\$15,713.93	6/10/2014	6/10/2014
Scituate	No notice to purchase					2/9/2018	\$1.00	-\$113,187.30	8/4/2017	8/2/2017
Smithfield	Not yet sold	1. \$1.00 (11/27/2018) 2. \$1.00 (05/22/2020)	1. -\$111,159.81 2. -\$81,617.92	3/29/2018	3/26/2018	6/2/2015	\$110,933.18	\$115,604.65	12/1/2014	12/1/2014
South Kingstown	9/25/2020	1. \$55,768.68 (7/26/2016) 2. \$22,596.43 (4/6/2018) 3. \$63,989.59 (11/6/2019)	1. \$66,191.15 2. \$24,633.94 3. \$74,834.50	5/12/2016	5/2/2016	4/16/2015	\$72,048.76	\$89,973.48	11/5/2014	11/4/2014
Tiverton	4/25/2017	\$40,389.07	\$41,970.95	11/5/2015	11/2/2015	11/3/2015	\$36,108.00	\$40,379.58	12/1/2014	12/1/2014
Warren	4/3/2017	\$7,677.73	\$13,809.88	2/16/2016	2/11/2016	4/6/2015	\$20,195.11	\$24,255.43	12/1/2014	12/1/2014
Warwick	Not yet sold	1. \$48,146.77 (6/19/2017) 2. \$40,967.34 (4/3/2019) 3. \$50,048.98 (5/22/2020)	1. \$62,542.31 2. \$55,630.40 3. \$127,085.69	1. 9/14/2016 2. 10/31/2018 3. 3/20/2020	1. 8/26/2016 2. 10/25/2018 3. 3/20/2020	8/4/2016	\$62,877.19	-\$48,950.02	3/15/2016	3/14/2016
West Greenwich	Not yet sold	\$1,908.72	\$10,279.19	7/30/2018	7/16/2018	No pricing inquiry				
West Warwick	8/15/2016	\$29,763.34	-\$6,429.02	11/16/2015	11/12/2015	2/7/2015	\$22,850.98	\$43,364.87	12/1/2014	12/1/2014
Westerly	4/3/2017	\$109,135.32	\$113,074.55	4/27/2016	4/8/2016	11/20/2015	\$64,943.44	\$68,494.27	2/5/2015	2/3/2015
Woonsocket	Not yet sold	1. \$37.66 (8/4/2016) 2. \$1,073.58 (2/11/2020)	1. -\$24,392.82 2. -\$714,420.21	7/22/2016	6/1/2016	1/19/2016	\$1,915.16	-\$1,130.25	3/12/2015	3/11/2015

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PUC Post Decision 1-2

Request:

For each sale where the price paid by the municipality differs from the net book value, please explain the reason for the variance.

Response:

As shown in Attachment PUC Post Decision 1-1, the asset sale price differs from the net book value in each instance. The Company bases its sale price on the net plant value associated with all the Company-owned street lighting assets within a municipal tax area from its property records, which consists of the gross plant investment, the allocated reserve for depreciation, and net plant value (i.e., net book value) associated with the assets booked in FERC Account 373 – Street Lighting and Signal System. Because these assets provide streetlighting service to both the municipality and private lighting customers in the community, the Company performs an allocation of the net plant value to luminaire, and pole sizes and types as a means to derive per-unit prices by which to price out the inventory of street light assets that the municipality would be purchasing separate from those to be retained by the Company to continue to provide service to private lighting customers. This accounts for the difference between the sale price and the net book value.

In a handful of instances, the sale price is greater than the net plant value. This is due to how the Company allocates the different types of streetlighting assets to luminaire sizes and types, and other types of streetlighting assets to pole types in order to better reflect the nature of the assets and their costs in the type of assets being purchased. This allocation is intended to better differentiate the cost of assets of street lighting assets in an overhead-served area from those in an underground-served area, in which there are underground conduit, foundations for poles, and dedicated poles that are not used in the provision of distribution service beyond service to street lights. When the pricing is determined for assets that are predominantly underground-served street lighting equipment, the resulting sale price is greater than the net plant value of all the Company's street lighting equipment in a particular town for that month.

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RIPUC Docket No. 4915
In Re: 2020 Electric Infrastructure, Safety, and Reliability
Annual Reconciliation
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Issued on October 6, 2020

PUC Post Decision 1-3

Request:

In each instance of a sale, identify whether pre-repair costs were incurred and whether the cost of the repairs were reflected in the sale.

Response:

For the reasons discussed below, the Company does not have a process to identify whether all capital costs incurred from the date the net book value was derived through the date of the sale are reflected in the price for each instance of a street light asset sale. The Company's asset sale pricing methodology is based, in part, on the net plant values for the Company-owned street and area lighting components, as explained in the Company's response to PUC Post Decision 1-2. The Company's process for obtaining the net book value does not include waiting until all capital costs that may have been incurred from the date the net book value was derived through the date of the sale can be verified and included in the sale price.

Under its existing street light service tariffs for Company owned assets, the Company is required to provide safe and reliable service for street and area lighting and is required to repair any Company-owned street and area lights that are not working. Maintenance and repair work related to street lights is generally small cost, high volume work, and under the Company's processes for such work, blanket projects are used to enable efficient work execution and record keeping. The nature of blanket project work is such that there does not exist an automated process to specifically identify streetlight capital costs for each sale transaction.

When the Company performs capital repair work on its street and area lighting equipment, the Company charges Construction Work in Progress. When the work is completed, the assets are transferred from Construction Work in Progress to Plant in Service. For blanket projects, the process to transfer costs into Plant in Service is usually soon after the work is begun and generally estimated to be within one to three months. Therefore, the Company's process assumes that for small dollar work, any lag, if it exists at all, would be negligible. Assets in the Plant in Service category are used in the net book value reports that the Company uses to prepare the asset sale price. To the extent there is no capital work placed into service after the date the net book value was derived, capital repair costs would be included in the net book value at the time the sale price is calculated. In order to identify whether pre-sale repair costs were incurred and whether the cost of the repairs were reflected in each sale instance, the Company would need to analyze charges in the streetlighting blanket orders and charges to specific projects in Construction Work In Progress preceding the time in which the net book value reports were run

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up to the date of the sale. This would be a heavily manual process and was not possible to do in the timeframe required for this response.